

McDonald's Policies, Plans and Strategies to Support Balanced, Active Lifestyles

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it's what i eat and what i do™



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I. OVERVIEW OF BALANCED, ACTIVE LIFESTYLES AT McDONALD'S

The continued long-term financial strength and enduring profitable growth of our business requires understanding and satisfying the changing needs, wants and lifestyles of our customers – current and potential. It also requires understanding and anticipating ever-changing operational and regulatory environments, and playing a role in responding to issues of importance to society.

More and more, people are thinking about what they eat and looking for ways to be physically active. While they pursue their wellness-related goals in many different ways, consumers want choices – and the knowledge to make the decisions that work best for them.

McDonald's recognizes the importance of the role that we can play in enabling informed choice and has therefore placed a high priority on efforts to encourage balanced, active lifestyles at the corporate level and in each of the country and local markets in which we do business.

The purpose of this report is to highlight the collection of policies, plans and strategies that have been implemented in the McDonald's System around the world with the objective of providing leadership on the well-being issues that so many of our customers care about. To be effective, our approach needs to address the realities of people's lives. That is why the majority of our actions are determined at the country and even the community level. However, we have developed a framework to guide our efforts across the McDonald's System. This framework consists of supporting both components of the energy balance equation – *menu choice* and *physical activity* – as well as a third element that is needed to empower choice – *education and information*. We believe that this approach will meet our customers' needs and help them make McDonald's a part of their balanced, active lifestyles.

In 2003, the Company introduced a comprehensive revitalization plan to increase McDonald's relevance to today's consumers as well as improve our financial discipline. The near-term goal of our revitalization plan was to fortify the foundation of our business. By year-end 2004, we substantially achieved this goal. We improved the taste of many of our core menu offerings and introduced products that have been well received by consumers. We streamlined processes, improved training programs and implemented performance measures including a restaurant review and measurement process to enable and motivate restaurant employees to serve customers better. We remodeled many of our restaurants to create more contemporary, welcoming environments. We launched the "i'm lovin' it" marketing theme, which achieved high levels of consumer awareness worldwide. Over the past two years, we have also increased financial discipline. We paid down debt, reduced capital expenditures and reduced selling, general & administrative expenses as a percent of revenues. In addition, we returned a significant amount of excess cash to shareholders in the form of dividends and share repurchases.

Operating results have been strong as a result of this holistic approach to revitalizing the business. In 2004, global comparable sales for McDonald's restaurants increased 6.9% – the best global comparable sales performance in 17 years. Revenues reached a record high of \$19 billion for the year, an increase of 11% over 2003. Earnings per share (EPS) were \$1.79 for the year, compared to \$1.15 in 2003. In addition, we served 1.6 million additional customers per day. Our

strong consolidated performance reflected the underlying strength of our US business, which generated impressive sales and margin improvements for two consecutive years. US comparable sales increased 9.6%. In Europe, comparable sales increased 2.4% despite economic challenges in certain key markets, indicating that we are making progress revitalizing this important business segment. Asia / Pacific, Middle East and Africa reported comparable sales of 5.6% for 2004, and Latin America finished the year with a 13% comparable sales increase.

It is not possible to isolate the impact of our Balanced, Active Lifestyles efforts on our business results. However, we do know that our new menu offerings have been well-received by our customers and are making a positive contribution. For instance, since their introduction in April 2003, McDonald's USA has sold over 300 million Premium Salads, thereby providing 600 million servings of vegetables to our customers. Since the introduction of new, fun, youth-inspired packaging for milk jugs, McDonald's USA's sales of milk have doubled. Similarly, McDonald's UK has sold more than 10 million fruit bags, and the market's non-carbonated, no-added-sugar Fruit Shoots drinks made up 23% of all Happy Meal drink sales in 2004. Evidence of the success of new menu choices can be seen in the volumes of fresh fruits and vegetables we purchase. For example, McDonald's Germany is now buying 16,000 tons of salad a year, McDonald's USA is the largest buyer of apples in the country according to the US Apple Association, McDonald's Canada purchased nearly 175,000 pounds of fresh grape tomatoes for its salads in 2004.

We will continue to address the wishes and needs of our customers on this important subject. In 2005, we are rolling out a new global brand approach for Balanced, Active Lifestyles. Recognizing the importance of communicating fundamental balanced, active lifestyles messages, McDonald's has developed a simple way to express energy balance to our consumers: "it's what i eat and what i do ... i'm lovin' it." This expression will be integrated into our Balanced, Active Lifestyles marketing and communications worldwide, with a special emphasis on using the inspiration of two icons – Ronald McDonald and the Olympics – to help bring this message to life everywhere we can.

As the needs and demands of our customers continue to change, our programs will evolve in order to remain relevant and useful. We are continuously improving our mechanisms for understanding the effectiveness of our actions, seeking even better ways to track not only preference for our menu choices but also the degree to which our other initiatives are helping to make a difference on this important issue.

A. Menu Choice

Providing menu choice begins with ensuring the quality and safety of the ingredients that go into all of our food products. Providing menu choice also means respecting the individual, evolving needs and desires of customers and offering a variety of products that can meet them, all within the framework of our business concept.

Quality

At the heart of our approach to menu choice is our consistent use of high-quality ingredients and foods like potatoes, beef, chicken and fresh produce. Our product specifications carefully outline our ingredient standards. For example, our beef patty specification requires that hamburger patties be made from 100% beef, with no additives or fillers. We work only with suppliers who can consistently meet our quality standards. Many of these suppliers are brands that consumers know and purchase themselves.

Product Variety

Menu variety and choice are principles that run throughout our menu, from the types of sandwiches, sides and drinks we offer to the range of sizes we provide. Our restaurants typically serve several types of hamburger sandwiches, both crispy and grilled chicken products, fish and, in many cases, a range of salads, fruits, yogurt, and non-carbonated beverages such as milk.

Around the world, our product offerings vary beyond the core menu to meet local tastes. For example, McDonald's restaurants in Japan serve a pork Teriyaki Burger, McDonald's Brazil offers coconut water, McDonald's Taiwan introduced a rice burger and many McDonald's restaurants in the Middle East serve the McArabia, which features two grilled chicken patties, lettuce, fresh onions, tomatoes and a garlic mayonnaise sauce on folded Arabic flatbread.

While product variety is determined at the geographic business unit level, we have a System-wide goal of developing additional choices – particularly sandwich, side and drink alternatives for children – to ensure that Happy Meals remain a choice both moms and children enjoy and feel good about. Happy Meals also provide a variety of nutrients that children need, such as protein, iron, zinc, calcium, vitamin C and others, depending on which Happy Meal combination is chosen.

The following chart illustrates the approximate contributions to a child's recommended daily intake for two Happy Meal combinations offered by McDonald's USA. The Chicken McNuggets combination – a 4-piece Chicken McNugget order, small french fries and a small soft drink – is one of the most popular combinations offered, while the combination of a Hamburger, Apple Dippers with low fat caramel dip and a 1% low fat Milk Jug illustrates several of the newer choices available on the McDonald's USA menu. For nutritional information about all of McDonald's USA's other Happy Meal combinations, please see the Food & Nutrition section of the McDonald's USA website, <http://www.mcdonalds.com/usa/eat.html>.

Happy Meal combinations - McDonald's USA		
Approximate contribution to a child's recommended daily intake for:*		
	Chicken McNuggets (4 pc), small french fries, Sprite® (12 fl. oz. cup)	Hamburger, Apple Dippers with low fat caramel dip, 1% low fat Milk Jug (236 ml carton)
Calories	34%	31%
Fat	44%	26%
Saturated Fat	28%	37%
Cholesterol	8%	13%
Protein	61%	101%
Vitamin B6	64%	43%
Vitamin B12	18%	158%
Calcium	3%	63%
Iron	13%	30%
Zinc	14%	59%
Vitamin E	22%	3%
Magnesium	29%	45%
*Calculations as of September 28, 2004, based on the recommended daily intake for a six-year-old girl, low activity. Source: Dietary Reference Intakes, Institute of Medicine, 2001 – 2003.		

Portion Sizes

At McDonald's, offering a selection of portion sizes is an important part of our approach to overall menu choice. For example, each market offers a variety of hamburger choices of different sizes. Drinks and french fries also come in a variety of small to large sizes.

B. Physical Activity

Experts confirm that physical activity is a critical component of the energy balance equation. More and more, people are interested in realistic and fun ways to incorporate fitness and exercise into their daily lives. McDonald's recognizes this need as an opportunity to create programs both at the grass roots level and globally that inspire people to be more physically active.

We will continue to work with our global alliances and partners such as the Olympics and FIFA World Cup™ to identify meaningful ways to motivate our customers to understand how to balance the food they eat with the activity they do.

- *Continuing to support grassroots sports*
 Around the world, McDonald's has a long-standing history of supporting grassroots sports. One of the primary ways in which McDonald's restaurants give back to the local community is through the support of children's sporting efforts. This support varies by restaurant and region, depending on the needs of the children and the community. The type of support McDonald's restaurants' provide ranges from supplying funding, sports equipment and/or coaches to sponsoring community programs, skill development workshops and large-scale competitive tournaments.
- *Promoting walking*
 In June 2003, McDonald's announced the expansion of the successful "Step With It!"™ program, developed by The Coca-Cola Company in collaboration with the U.S.-based National Association for Sport and Physical Education (NASPE) and the U.S.-based President's Challenge Physical Activity and Fitness Awards Program (a program of the President's Council on Physical Fitness and Sports). Designed to encourage middle-school children and their families to incorporate physical fitness into their lives, the program featured Stepometers™— small pedometers that track the number of steps taken – and encouraged participants to increase their daily walking to maintain good health. This approach was implemented in the U.S. and in sixteen countries in Europe through McDonald's promotional Go Active! Happy Meal for adults. To date, McDonald's has distributed more than 30 million stepometers around the world.
- *Helping children "Go Active with Ronald McDonald"*
 Motivation is a key factor in helping people start and maintain physical activity as a regular part of their lives. McDonald's is supporting several initiatives to help encourage children to be active. The Ronald McDonald Field Program in many parts of the world has been focused on activities and performances that educate and encourage children to walk, move, dance and have fun. Programs include the "Ronald McDonald Sports Zone" in Canada, "Fitness Fun with Ronald McDonald" in Malaysia, the "Ronald McDonald Sport and Active Show" in the Netherlands and the "Get Moving with Ronald McDonald" show. "Get Moving with Ronald McDonald" is a 30-minute, fun-filled show that incorporates magic, music, dancing and games to get children and families moving. The American Academy of Pediatrics provided technical review for the show, which is being used both in the US and globally since 2003 at McDonald's restaurants, community events, summer camps and other appropriate venues. A new interactive "Go Active with Ronald McDonald" show is under development in the US. It will debut in January 2006 with plans to expand globally during 2006. In his new performance, Ronald will engage children in fun physical activities and will expand his messages to help them understand energy balance and the importance of being active.

In fall 2005, Ronald McDonald will also star in a new direct-to-video live action series that encourages children to get up off the couch participating in the fun by showing them how much fun they can have when they activate their bodies, their minds and their imaginations. The goal is to distribute the video in a dozen languages in more than 50 countries.

- *www.goactive.com*
Goactive.com is a global website that McDonald's developed to inspire physical activity among consumers worldwide. It features a full resource library on fitness and physical activity provided by the internationally-recognized American College of Sports Medicine, as well as high-profile athletes' stories and an interactive chat room that allows users to talk with fitness experts. The site also contains an innovative "virtual trainer program" that allows users to generate their own, personalized fitness programs based on their current fitness level, activity preferences and fitness goals. *Goactive.com* is available free of charge to web users. First launched in April 2004, the site was refreshed in March 2005 with a focus on "it's what i eat and what i do" and educating moms on how to incorporate energy balance in their and their children's lives.
- *Olympic Games*
 McDonald's has a long heritage of supporting the Olympic Games. Our relationship has grown since 1968, when McDonald's airlifted hamburgers to the U.S. Olympic team after they expressed a desire for McDonald's food. In 1998, McDonald's became a TOP (The Olympic Partnership program) global sponsor of the Olympic Games. Since 2004, we have used our sponsorship of the Olympic Games, as well as our relationships with the International Olympic Committee and Olympians around the world, to inspire physical fitness and activity among communities worldwide. At the 2004 Olympic Games in Athens, McDonald's distributed thousands of stepometers to spectators at the Games and hosted the first-ever Go Active! Day in Athens, encouraging citizens everywhere to increase physical activity in their everyday lives. The International Olympic Committee (IOC) shares McDonald's commitment to educating consumers on energy balance and the "it's what i eat and what i do" message.
- *Olympic Day Run*
 The International Olympic Committee fields an annual Olympic Day Run to commemorate the founding of the Olympic Movement and to promote fitness through sports worldwide. In addition to sponsoring the Olympic Games, McDonald's became the exclusive worldwide sponsor of this event in 2003. Since then, more than 160 countries and millions of people worldwide have participated in this annual event.
- *McDonald's Player Escort Program*
 In addition to funding community sports worldwide, McDonald's also brings consumers access to the premier football (soccer) events in the world. As a partner of the FIFA World Cup™ and UEFA EURO™, McDonald's helps bring the inspiration of world-class sport to the global stage. At the 2002 FIFA World Cup™, the McDonald's Player Escort Program gave more than 1,400 children ages six through ten the opportunity to escort some of football's best and most popular athletes onto the pitch for each of the 64 FIFA World Cup™ matches. A similar program was put in place for the UEFA EURO™ 2004, with more than 650 children from 14 European nations participating. Plans are in place to further build out this program in 2006, with children being sent to the FIFA World Cup™ in Germany based on criteria that reinforce McDonald's commitment to balanced, active lives.

C. Education and Information

Because relevant, useful, motivational education and information are the enablers that make smart choices possible, it is a key part of our balanced, active lifestyles approach. We are working on ways to help customers access and use information about balanced eating and physical activity. Our current global focus is on three vehicles – the Internet, trayliners and brochures. Locally relevant content is being developed for each of these channels in countries around the world. For example, the US business has a comprehensive Food and Nutrition section featuring an interactive *Bag A McMeal* tool, nutrition tip sheets and other information on their website (<http://www.mcdonalds.com/usa/eat.html>) and McDonald's Brazil maintains a website featuring information about nutrition and balanced, active lifestyles, simulators and product information (<http://www.comendoeaprendendo.com.br>).

Communicating important messages effectively – particularly to young people – is a key priority, so beyond the three vehicles described above, we are also developing and implementing a number of other programs.

“it's what i eat and what i do ... i'm lovin' it.”

In March 2005, McDonald's launched a global initiative centered on a multi-faceted education campaign to help consumers better understand the keys to living balanced, active lives. Its theme – “it's what i eat and what i do ... i'm lovin' it” – underscores the important interplay between eating right and staying active, communicating the concept of energy balance in a simple, fun and unique way. The global initiative takes an innovative and educational approach to advertising and marketing, involving television commercials, print advertising, packaging tips, restaurant trayliners and brochures. It features inspirational role models like Olympic athletes, hopefuls and moms, as well as balanced, active lifestyles advocate Ronald McDonald, who help to communicate the energy balance message to consumers around the world.

Educational programs for children

In addition to “Get Moving with Ronald McDonald” and other initiatives encouraging physical activity, McDonald's has introduced a number of programs to teach children about making balanced choices and staying active.

- The What's on Your Plate nutrition education program, first introduced in 1992 in cooperation with a group of leading nutrition education experts, was reintroduced in the US. The program features Willie Munchright, a clay animation character who helps children learn to make choices that fit in to a balanced, active lifestyle. The program consists of comprehensive classroom activity materials, including video segments and activity brochures. To help reinforce the nutrition messages, a series of 60-second What's On Your Plate vignettes began airing during children's programming in the U.S. in April 2003. Other countries, including New Zealand and the United Arab Emirates, are working to adapt and use the Willie Munchright program. Further information about the program is available at <http://mcdonalds.com/usa/eat/willie.html>.
- McDonald's UK worked with experts in childhood education and behavior to create a series of educational advertisements featuring animated characters called the YumChums who use

song and dance to help children learn about the importance of a balanced diet and physical activity. The advertisements were broadcast in August 2004 and will be shown again in 2005.

Advertising and marketing practices

McDonald's understands the importance of responsible marketing practices. Our commitment to responsible advertising and marketing is reflected in many of our core business documents. As is stated in McDonald's Standards of Business Conduct: "Our brand promise begins even before our customers enter our restaurants, with advertising and marketing that is truthful, tasteful and worthy of one of the world's most well-known retail brands." This commitment to responsible advertising is evidenced in the global advertising and marketing standards that McDonald's has adopted. These standards were originally developed nearly 30 years ago and have been revised several times to reflect evolving best practices in the industry. Our standards cover both how and where McDonald's advertises.

While all of our customers are important, we take care to develop and support appropriate standards in the area of communications with children. Following our standards, we take care to show our food, drinks and Happy Meals accurately and truthfully. We are mindful that the language we use and the messages we communicate must be appropriate for children, reflect our high standards and not condone violence or violation of the law. We involve Ronald McDonald to promote happiness, fun, self-esteem, wellness and balanced, active lifestyles. In this same spirit, we use discretion in selecting our spokespeople and partnerships for children.

McDonald's also supports broad industry self-regulation efforts. We believe industry self-regulation is effective in protecting consumers' interests in truthful, balanced advertising. McDonald's has worked to support self-regulatory efforts around the world. For example, in the U.S. McDonald's supports the Children's Advertising Review Unit (CARU) of the Council of Better Business Bureaus. CARU was founded in 1974 to promote responsible advertising to children under the age of 12 by ensuring the truth and accuracy of child-directed advertising and by ensuring that advertising to children meets a host of principles and guidelines. CARU consults with industry leaders and leading experts from the academic, child psychology and nutrition sectors. CARU has developed a set of guidelines that cover areas such as product presentations and claims, sales pressure, disclosures and disclaimers, comparative claims, and endorsements and promotions. In addition, CARU reviews and evaluates children's advertising on an ongoing basis and seeks to remedy cases of inconsistency with CARU guidelines through the voluntary cooperation of advertisers. CARU can and does refer matters to the Federal Trade Commission involving companies whose advertising it believes is not consistent with the Guidelines when a satisfactory outcome is not achieved through dialogue.

In Canada, McDonald's was a founding member of Concerned Children's Advertisers (CCA) in 1990. CCA is a non-profit organization of 25 Canadian companies who responsibly market and advertise products and services to children and their families. As an organization, CCA strives to combine responsible marketing with the social responsibility of caring for children. CCA members work together to develop programs and initiatives designed to help children build healthy lives, support parents in the healthy development of their children, and support educators in the teaching of media literacy and life coping skills to their students. Sample programs

include a commercial series focused on positive messages for children and Long Live Kids, a new initiative combining public service messages with a comprehensive educational program providing the knowledge and tools to empower children to “eat smart, move more and be media wise”. Health Canada, the federal department responsible for leading development of health policy, enforcing health regulations, promoting disease prevention and enhancing healthy living, is a partner of CCA, providing knowledge, direction and counsel on children and their lives. The Canadian Radio-television and Telecommunications Commission is also a government partner. On the business side, CCA's respect for children is best articulated by its support and compliance with the Broadcast Code for Advertising to Children and the Code of Ethics and Standards of Practice as it relates to online marketing to children.

McDonald's Europe has begun working with Media Smart®, a non-profit media literacy program that develops and provides in-school educational materials to teach children to think critically about advertising in the context of their daily lives. Media Smart® is a multi-sector collaboration between advertisers, media owners, government officials and academic experts. McDonald's Europe is partnering with Media Smart® in several countries, and will continue to explore broader participation.

McDonald's is also a member of the World Federation of Advertisers (WFA). WFA and its members have worked to enable advertising self-regulation as an effective process for consumer protection.

Employee Education

McDonald's is pilot-testing a nutrition and quality e-learning course that has been developed to educate crew and restaurant managers on McDonald's food quality and nutrition. This course is currently being tested in four countries. McDonald's Europe has created a health and nutrition guide for McDonald's employees in Europe to help them make choices that fit into a balanced, active lifestyle.

D. Coordination and Guidance Of Balanced, Active Lifestyles

While McDonald's has a long history of offering menu choice, supporting physical activity and providing education and information, our Balanced, Active Lifestyles approach was formally articulated at the corporate level in 2003. Our intent was to accelerate and better coordinate our local and regional efforts to respond to growing customer interest in well-being and balanced, active lifestyles. While most of our efforts are developed and implemented at the local level, McDonald's provides guidance and direction from the corporate and regional levels to support implementation. This includes:

- A cross-functional Balanced, Active Lifestyles team at the corporate level with representation from senior management and leadership of relevant departments from around the world. This team provides strategic direction and facilitates the sharing of best practices across the McDonald's System.
- A Global Director of Nutrition who serves as a resource and key point of contact for our global geographic business units. The Director also coordinates dialogue with many of

our key external stakeholders, including government agencies, health professional organizations and consumers.

- A European Nutrition Task Force (ENTF) established in July 2002 that brings together the McDonald's Europe subject area leaders from Quality Assurance, Family Marketing, Menu Management, Communications, Government Relations, Legal and Operations. The ENTF includes a member of the McDonald's Europe Nutritionist Steering Group and is lead by the Executive Vice President of McDonald's Europe. The aim of the ENTF is to:
 - Increase internal awareness of the business opportunities for McDonald's Europe related to balanced, active lifestyles
 - Provide a sounding board for internal decision-making
 - Act as a forum where national best practice can be shared and communicated
- A Nutrition Steering Group (NSG) established by McDonald's Europe consisting of independent nutritionists from Germany, France and the UK that acts as a sounding board for McDonald's Europe's Balanced Active Lifestyles strategies. This group has devised guidelines based on European and WHO recommended daily intakes that will help to inform the future menu development efforts of McDonald's Europe.
- A global network of nutrition consultants, including nutritionist teams in place in the U. S., Europe, Australia and Latin America.
- A 15-member Global Advisory Council on Balanced, Active Lifestyles composed of external experts in health, fitness and nutrition from around the world. The Council looks at trends related to balanced, active lifestyles and provides advice and guidance to McDonald's based on members' subject matter expertise. The Council has encouraged McDonald's to consider initiatives that address:
 - Additional menu choices, including fruit and vegetable options.
 - Promoting physical activity.
 - Focusing on our employees.
 - Setting goals and working to measure the impact of our initiatives.
 - Supporting broader research in the areas of health and nutrition.

Through our Balanced, Active Lifestyles efforts, we have worked with the Council to address most of these suggestions, and are in the process of developing approaches to those that remain.

A list of Global Advisory Council members, with their professional credentials, is available at

http://www.mcdonalds.com/corp/values/socialrespons/resrecog/expert_advisors0/advisory_council_on.html.

We also seek to learn from and work with leaders, policy makers and interested stakeholders at the global, regional and national levels, including organizations such as the World Health Organization, the International Union for Health Promotion and Education, the U.S. Department of Health and Human Services, the European Commission, the European Heart Network, and others.

E. Future Outlook

McDonald's approach to supporting balanced, active lifestyles differs around the world, but our goals remain the same - to continue to address the wishes of our customers by offering even more menu choice, providing access to user-friendly nutrition education and information, supporting physical activity and communicating the importance of energy balance. Children and families are valued customers of McDonald's, and we will continue to work hard to earn and keep their trust with responsible communications and quality food.

The "it's what i eat and what i do" messages will provide the tone, style and attitude for making energy balance fun.

Specifically, we will continue to:

- Pursue ways to add further choice to our menu, particularly new choices for children and more fruit and vegetable items.
- Increase awareness among one of our most important stakeholder groups – our employees.
- Explore new ways to deliver nutrition and energy balance information to our customers.
- Champion programs that bring fun, practical physical activity options to people's everyday lives - such as walking and leveraging our alliance partners to further communicate important messages.
- Demonstrate responsible leadership in our marketing and communications practices.

As the needs and demands of our customers change, we will continue to evolve our approach and programs. We believe this will help our customers continue to make McDonald's a part of reaching their balanced active lifestyle goals.

II. SUMMARY OF COUNTRY ACTIVITIES – KEY MARKETS

Within the global framework of menu choice, physical activity and education and information described earlier, McDonald's is working to support balanced, active lifestyles in different ways around the world, depending on the needs and opportunities present in local markets. The following capsules highlight some of the activities underway during 2004 in each of the nine Major Markets in our System, plus one of the next largest in terms of number of restaurants – Spain. These capsules include the types of actions that continue to be taken in individual markets throughout the McDonald's System. All claims about a food product are in compliance with the regulations of the country in which the claims are made.

AUSTRALIA

Salads Plus Menu

In August 2003, McDonald's Australia launched Salads Plus, a new eight-item menu platform that includes a Chicken Foldover, Roast Chicken Salad, Berrynice Yogurt Crunch, Raspberry Muffin Lite, Orange and Poppysseed Muffin Lite, Vege Burger, Garden Mixed Salad and apples. The Salads Plus items all feature 10 grams of fat or less per serving. As part of its Salads Plus approach, McDonald's Australia also committed to provide nutrition labeling on packaging for these menu items. A Salads Plus nutrition brochure was produced and made available in restaurants. In mid-2004, the Salads Plus menu was extended to include a new lean beef burger and real fruit smoothie. Development of a Salads Plus breakfast menu has commenced.

Deli Choices

In 2004, McDonald's Australia introduced Deli Choices, a sandwich menu introducing a new taste and freshness to the South Australian market.

Deli Choices consist of toasted rolls with premium fillings made upon order. The Deli Choices range includes Bacon and Egg, Classic Ham, Chicken Caesar, Vege Plus, Italian Supreme, Chicken Tandoori and Turkey and Cranberry. The new range introduces more than 14 new ingredients into the restaurants and three out of the seven products contain less than 10 grams of fat.

QuickStart Breakfast Menu

In November 2003, McDonald's Australia and Kellogg's joined forces to address a growing need by introducing a new breakfast menu called QuickStart. Research indicated that 43percent of all Australians were skipping breakfast at least once a month, that as many as one in two people in their 20's skips breakfast at least a couple of times a week, and that one in four children goes to school hungry. The QuickStart menu includes a selection of Kellogg's cereals and Berri fruit juices. Nutrition information about McDonald's full menu, including the QuickStart menu, is available on the McDonald's Australia website.

Happy Meal Choices

In February 2003, McDonald's Australia launched a new Happy Meal option available for breakfast and afternoon meals. The new option includes a toasted cheese and tomato sandwich, sultanas (raisins) and orange juice and contains fewer than 6 grams of fat per serving.

McDonald's Australia is currently investigating an alternative Happy Meal offer. An expert panel is being formed to advise the development of this new meal.

Dietitian Partnership

In September 2003, McDonald's Australia announced a partnership with The Food Group Australia, a team of accredited practicing dietitians (APDs) who provide advice to the food industry. The Food Group Australia provides advice and recommendations to the Company on childhood nutrition, development of additional Happy Meal choices, the next generation of Salads Plus and ongoing communications with health professionals.

Open Doors Program

In July 2003, McDonald's Australia invited people across the country to visit their local McDonald's for a tour of the restaurant, from the dining room into the kitchen. This Open Doors Day was designed to offer customers a transparent look at what happens behind the counter at McDonald's and to provide an opportunity for them to learn about the quality of McDonald's food by asking questions about topics ranging from food preparation to the source of products to the training provided to restaurant staff.

Nutrition information

McDonald's Australia's web-based nutrition calculator allows users to drag menu items onto a tray and then displays nutrition information in table and graph formats. The site also provides information about the sources of key menu ingredients.

The McDonald's Australia nutrition calculator and other balanced, active lifestyles information are available at www.mcdonalds.com.au.

BRAZIL*New Menu Choices*

In December 2004, McDonald's Brazil launched a new product platform that added the Grilled Chicken sandwich, the Yogurt Parfait with fresh strawberries and raspberries, a zero-calorie Iced Tea, and Coconut Water, a typical Brazilian favorite that replenishes the body with minerals. The new platform also replaced the former meal-size salads, launched in 2003, with three new meal-size salads – a mixed greens salad and two mixed greens salads topped with grilled or crispy chicken. In 2003, McDonald's Brazil introduced a line of McFruit drinks in orange, green lime, grape, and passion fruit flavors.

Happy Meal Choice

Beginning in October 2004, customers can create their own Happy Meal by choosing one of four entrees – a Hamburger, a Cheeseburger, a Grilled Cheese Sandwich or a 4-piece McNuggets – and one of three side orders – small french fries, a small mixed greens salad, or a combination of a fresh whole apple and Polenghinho, a children's soft cheese square. Beverage choices include regular and diet sodas, mineral water, four McFruit drinks, or Ronald McDonald Chocolate Milk. Dessert choices include a Low Fat White Cheese with Guava Jam, a typical national dessert. Happy Meals offered by McDonald's Brazil feature the seal of the Sao Paulo State Pediatric Society, awarded for their nutritional content.

Gourmet Dinners

McDonald's Brazil has started a series of educational events offered for key stakeholders, including the media and opinion leaders. McDonald's Brazil's nutrition consultant serves as the chef and uses the ingredients from our restaurants to prepare gourmet dinners. The dinners illustrate the quality of ingredients used in McDonald's products, and demonstrate that the calorie count of a McDonald's meal is very similar to that of a home-cooked meal.

Do The Ronald Program

During June 2003, McDonald's Brazil conducted a special program to weave together all three components of balanced living. The Do the Ronald program included:

- A Happy Meal containing a Petit Suisse yogurt-type dessert and a multimedia CD-ROM.
- A dance called "The Ronald Rock", which was taught on a website, CD-ROM, trayliners and dancing machines inside the restaurants.
- Live shows with Ronald McDonald and friends.

Supporting Grassroots Sports

McDonald's Brazil works at the local and regional levels to initiate and support grassroots sports and physical activity programs. For example, since 2002, the Company has partnered with a local newspaper to organize one of the largest student competitions in Brazil, the InterMcDonald's. This event involves high school students from Rio de Janeiro in indoor soccer, basketball, volleyball, handball, swimming, judo and table tennis. More than 10,000 students from local schools participated in 2004. Since 2001, McDonald's Brazil has conducted a regional Learning in Motion program in Santos. In this program, physical education classes and sports are used as a means to strengthen children's bonds with their schools and their interest in other subjects in the curriculum. The program is now included as part of a public municipal policy for all nursery and primary schools.

Good Neighbor Rally

McDonald's Brazil has developed an internal competition that encourages involvement of the restaurants with the neighboring communities. For the second consecutive year, restaurants were challenged to develop local initiatives in three categories: health, sports and nutritional education. Initiatives included bike tours, group walks, sports equipment donations, school lectures, blood pressure measurements, and more. In two years, the restaurants developed approximately 1,500 community activities.

Employee Education

In March 2002, McDonald's Brazil published an internal book called the Commitments Manual, which included a videotape and a deck of cards to provide crew members with information and training about McDonald's Brazil's four Commitments: to People, Healthy Food and Lifestyles, the Community and to the Country. Through this book, all 36,000 Brazilian employees were informed about key priorities, including the Company's actions to support balanced, active lifestyles.

Nutrition Guide

In December 2004, McDonald's Brazil launched the fourth edition of its Nutritional Guide, offered free to customers in restaurants. The guide features detailed nutrition information on menu items; a table for customers to calculate protein, carbohydrate, fat, cholesterol, iron and calorie levels in their meals; and a "primer" of basic nutrition lessons. More than 2.5 million guides have been produced and distributed. McDonald's also prints the nutritional table on the reverse side of all trayliners. In November and December 2004, the front sides of trayliners were dedicated to illustrating how everyday activities such as walking, climbing stairs, dancing, walking the dog, or even sleeping can burn calories.

Website

In 2003, Brazil launched a new website that provides nutrition information for adults, adolescents and children. Developed by more than 20 professionals, the site offers four simulators:

- *McDonald's on a Tray* lets users drag menu items onto a tray and displays nutrition information as they build their meal.
- *Your Weight, Learn How to Control It* allows users to calculate Body Mass Index (BMI) and obtain information on adult obesity.
- *"Go Active!"* calculates calories burned by adults and children doing various physical activities.

- *Check Children's Growth Curves* allows parents to check their children's growth curves based on four indicators – age, gender, height and weight.

The site also features a general nutrition table and a Happy Meal-specific nutrition table certified by the Sao Paulo State Pediatrics Society; a variety of articles on nutrition and physical activity for adults and children; and a special section for health professionals.

The McDonald's Brazil online tools and other information are available at www.mcdonalds.com.br and www.comendoeaprendendo.com.br.

CANADA

Corporate Award from the Canadian Institute of Child Health (CICH)

In November 2003, the Canadian Institute of Child Health honored McDonald's Canada for promoting health in Canadian youth. The CICH Corporate Award is given in recognition of sustained and broadly based programs supporting the health and well-being of children and their families.

Industry Fitness & Nutrition Roundtable

McDonald's chairs the Canadian Restaurant and Foodservices Association's (CFRA) Fitness & Nutrition Roundtable.

Saladsplus and Protein Platters

In June 2002, McDonald's Canada launched the Lighter Choices menu consisting of products with significant reductions of calories or fat – and most often both. The menu has since evolved to meet the changing tastes of Canadians and today, the re-branded *saladsplus* menu category, launched in May 2004, includes three entrée salads, one side garden salad, a Fruit 'n Yogurt Parfait and Chicken Fajitas. Since the launch of *saladsplus*, McDonald's Canada has sold more than 5.5 million entrée salads and more than 1.5 million side salads.

In February 2004, McDonald's Canada announced the introduction of breakfast and lunch/dinner Protein Platters, each with fewer than six grams of carbohydrates. In-store displays provide customers with additional tips and suggestions on ways to modify their McDonald's meal to reduce levels of fat, calories and carbohydrates.

Happy Meal Choices

In April 2004, McDonald's launched Happy Meal Choices, offering customers more options to choose from when ordering their favorite Happy Meal. Happy Meal Choices offers customers a choice of a hamburger, cheeseburger, Chicken McNuggets made with white meat or a grilled cheese sandwich, accompanied by a small-size french fry order, drink and a featured toy. New expanded choices for these items include:

- A choice of 1% white milk, 1% chocolate milk, a 7-ounce serving of orange juice or apple juice, or a child-size (12 ounce) Strawberry Passion Awareness Fruitopia, ice tea or soft drink.
- An option of adding apple slices and low-fat caramel dip to any Happy Meal (an additional charge applies), or as a no-extra-charge substitution for french fries.

Ronald McDonald School Program

The Ronald McDonald school program brings school children in Canada fun and interactive messages on wellness, self-esteem and safety. In 2004, this program was revamped as the Go Active! Canada Interactive School Show, in which Ronald McDonald, along with mountain biker Ryan Leech and

Canadian Olympians, Alexandre Despatie and Karen Furneaux, deliver focused messages on the importance of nutrition, wellness and physical activity.

Go Active! Olympic Fitness Challenge

Working in conjunction with the Canadian Olympic Committee, McDonald's Canada developed the Go Active! Olympic Fitness Challenge, designed to promote physical activity amongst students in Canada. The more than 200 schools across the country who have registered in the program this year receive a Go Active! Olympic Fitness Challenge kit that provides all of the necessary tools needed to track and monitor their students' fitness levels in a series of six exercises conducted throughout the year. Schools who submit their program results will be awarded \$200 in physical education equipment credits per class, up to a maximum of \$1,000 per school. More information on the program can be found at

www.olympicfitnesschallenge.ca.

Grassroots Sports

McDonald's corporate and owner/operator contributions to local sports organizations in Canada, including soccer clubs, school fitness programs and local hockey teams, total approximately \$5 million per year.

Ronald McDonald Sport Zone

The Ronald McDonald Sport Zone is a touring attraction that encourages families to come out, get active and have fun by participating in a variety of activities at local community events across the country. In 2004, 13 festivals, fairs and special events were attended, reaching approximately 1.24 million people.

Nutrition Information

The *McDonald's Food Facts* brochure, which lists nutrition and ingredient information for McDonald's menu items, is available in restaurants throughout Canada. Comprehensive nutrition information for McDonald's standard menu items is displayed in poster format in front of the counter and included on the back of trayliners. It is also available at www.mcdonalds.ca, which includes a comprehensive Nutrition Calculator allowing customers to conduct analyses by selecting their own customized meal online before they visit the restaurant.

Further information about Canada's balanced, active lifestyles activities is available at www.mcdonalds.ca.

CHINA

Happy Meal Choice

In April 2004, McDonald's China added several choices to their Happy Meal offerings, including two new Happy Meal main course options – a cheese and egg sandwich on a steamed bun, and potato and chicken Dino McNuggets – and a new drink option – milk.

Nutrition Information

McDonald's China provides nutrition information about menu products via nutrition leaflets in restaurants and on the McDonald's China website.

The Marketing Store's Sports Gala 2004

Partnering with suppliers who share and support our goals is one of McDonald's business practices. The Marketing Store, one of McDonald's Happy Meal toy suppliers in China, has developed a wellness program for its workforce. As part of this program, The Marketing Store held a large-scale gala in March 2004 to build awareness of the importance of health and wellness and provide an opportunity for fun,

fitness, friendship and teamwork. Approximately 8,000 participants attended the event, including thousands from The Marketing Store's 14 factories across China, as well as area government officials and McDonald's representatives. The event featured a marching band show, track competitions, a cheerleading contest and an awards ceremony for individual and factory team winners.

Further information about McDonald's China's balanced, active lifestyles activities is available at www.mcdonalds.com.cn.

EUROPE – FRANCE, GERMANY, SPAIN, UNITED KINGDOM

Through the work of the European Nutrition Task Force and the assistance of the Nutritionist Steering Group and other expert consultants, McDonald's Europe has developed a common approach to support balanced, active lifestyles and several shared activities for the region that take into account differing legislative environments and customer needs in Europe. In addition to this pan-European approach, local business units within Europe also undertake country-level initiatives to promote balanced, active lifestyles within their markets.

Salads Plus

In 2004, 16 countries in Europe launched Salads Plus, a set of new menu options designed to enhance the choice and variety of products available to McDonald's customers. The Salads Plus launch offering included two meal-size Premium Salads topped with grilled or crispy chicken, a mixed side salad, a grilled chicken sandwich on olive and sundried tomato ciabatta bread, a fruit and yogurt parfait with vanilla yogurt and an apple and grape fruit bag. The Salads Plus premium salads menu will continue to evolve to include new products. Among those aware of the Salads Plus range, almost 70% agree that Salad Plus is a positive addition to the McDonald's menu.

The European Nutritionists Steering Group recognized the Salads Plus options as providing even more choice for McDonald's customers. For example, the group noted that it offers several items that contribute one or two portions of the recommended five portions of fruit and vegetables a day and three chicken items that are good sources of protein. A leaflet containing nutrition information about the Salads Plus menu, developed and reviewed by the Nutritionist Steering Group, was distributed in restaurants.

Happy Meal Choices

Across Europe, a variety of new choices have been introduced to McDonald's Happy Meals, and more are planned. In early 2005, McDonald's UK announced that five new food and drink items would be added to the Happy Meal menu, bringing more variety and making fruit, vegetable and no-added-sugar choices fun alternatives for children. These new menu items will double the number of possible Happy Meal combinations that parents and carers can choose from. Among the new items are Carrot Bags, Chicken Grills (chicken breast meat cooked and lightly grilled), and Wobble-icious Fruit Jelly made from 99% fruit juice and with no added sugar. In 2003, McDonald's UK added semi-skimmed organic milk and fruit bags to its Happy Meal choices. More than 10 million fruit bags have been sold. McDonald's UK also offers Fruit Shoots – non-carbonated no-added-sugar drinks available in apple and blackcurrant flavors. These made up 23% of all Happy Meal drink sales in 2004. Among the Happy Meal choices offered by McDonald's France is a lower-sugar fruit compote dessert available in two different flavors that were rotated during 2004 and will be rotated again during 2005. In 2003, McDonald's Spain began to offer customizable Happy Meals. Customers now create their own Happy Meal by choosing one of four main course choices, two of nine side and beverage choices and one of four optional additional desserts. Among these choices are a fat-free yogurt-based dessert, milk and a child-size bottled water. Customizable Happy Meals were introduced by McDonald's Germany in January 2004. As part of this launch, McDonald's Germany introduced several new Happy Meal choices, including a Danone yogurt

drink (Actimel) and organic milk. Additionally, the apple-and-grape fruit bag introduced with the Salads Plus program was included in the range of Happy Meal menu choices as an alternative to french fries. McDonald's Germany is also working with the Junior Club to provide fitness and balanced lifestyles tips to its 1 million members.

New Value Meal Choices

In January 2004, McDonald's Germany launched new side product choices within their Value Meal menu, the Maxi Menu. Customers can now substitute fries with a garden salad or the soft drink with a no-sugar-added apple spritzer, Latte Macchiato or other beverage.

Community Football Programs in the UK

McDonald's Community Football Programme, in partnership with the four UK National Football Associations, will train and deploy 10,000 coaches by 2006 to develop and expand community football (soccer) throughout the UK. The investment will make possible an extra 1.3 million hours of qualified football coaching for youth across the UK. Over 3.3 million children are benefiting from the Programme and £1.2 million of coaching equipment has been donated. In addition, more than 97,000 footballs and nearly 11,000 kit bags have been donated to coaches. McDonald's UK sponsors the Rushden & Diamonds Football Club's Youth Cup, a football competition for 500 youth teams across the country.

Olympic grassroots program in Germany

In 2004, McDonald's Germany began a partnership with the German sports association to support a program called "Youth Trains for the Olympic Games." McDonald's will help to provide information about balanced, active lifestyles to the approximately 950,000 active children from 44,000 German schools who participate in the program. In addition, McDonald's Germany will distribute 10 million magazines to school teachers containing this balanced, active lifestyles information.

Employee Guide

McDonald's 6,200 plus restaurants in Europe employ more than 280,000 people who eat regularly at McDonald's. Employees are thus a large and important audience to reach with information that helps to promote balanced, active lifestyles. McDonald's Europe, working with its independent Nutritionist Steering Group, created a balanced, active lifestyles employee guide to empower employees to make the choices that work for them. The guide includes tips for balanced lifestyles, detailed nutrition information on favorite McDonald's menu items and several daily menu suggestions showing how McDonald's can fit into a balanced diet and lifestyle. As part of the broader training program, pedometers are being distributed to McDonald's crew members across Europe.

Quality Auditors Program in France and Germany

As part of the commitment to quality that lies at the heart of McDonald's balanced, active lifestyles activities, McDonald's France and McDonald's Germany both developed programs that allowed a group of customers to "audit" several important product supply chains – beef, potatoes, wheat and salads (and chicken in France). During the program, a number of customers visited facilities associated with each supply chain. Testimonials from the customer auditors, itineraries and photos from the one-day visits are posted on McDonald's France's and McDonald's Germany's public websites. Both countries will run the program again in 2005.

Information and Education for Children in France

McDonald's France is partnering with *Le Petit Quotidien*, a four-page daily newspaper for children ages seven to nine, to include a series of announcements about creativity, balance and sports. Featuring Ronald McDonald, each announcement highlights a specific topic, such as physical fitness and creative activities, in an interactive way. Approximately 80,000 individual and school subscribers receive *Le Petit Quotidien* on a daily basis, and an additional four million copies a year are distributed to schools free of charge.

Nutrition and Health Curricula in Germany

McDonald's Germany partnered with nutritionist Dr. Petra Ambrosius to develop non-branded school curricula on basic nutrition for secondary and elementary school teachers. The curricula cover topics such as food ingredients and production, nutrition and the importance of physical activity. Teachers can use these materials in classrooms and can arrange to visit a McDonald's restaurant with their classes.

In addition, a non-branded book developed by McDonald's (named as publisher in the book), a publishing company and nutritionist Dr. Ambrosius will be released in 2005. The book provides information and tips regarding nutrition, sports, a healthy lifestyle and relaxation. The book, the first available on the German market on the subject of balanced, active lifestyles for families (and particularly moms with children), will be sold in bookstores.

German pediatrician kit

McDonald's Germany developed a balanced, active lifestyles kit for pediatricians that included, among other items, a new body-mass-index calculator designed specifically for children. The kit was delivered free of charge to 6,000 pediatricians.

Information and education in Germany

Starting in 2002, a variety of leaflets, flyers and brochures on food quality and nutrition were developed and provided to customers in the restaurants, including information about nutritional values, ingredients and allergens. On a quarterly basis flyers were distributed to customers with three questions and answers on quality, nutrition and balanced, active lifestyles ("You ask – We answer") A nutrition calculator on the internet provides easy access to essential information about nutritional value of the food. McDonald's Germany provides nutrition information for its products on the back of tray liners and has also run a national print campaign in all major magazines to provide customers with nutritional information.

In addition, in 2005, McDonald's Germany became one of the first members of a partnership initiated by the ministry of consumer protection, nutrition and agriculture, various national associations and the food industry. The purpose of this partnership is to educate consumers about nutrition and exercise through public campaigns and projects.

Information and Education in Spain

In 2001, McDonald's Spain worked with nutritionists, pediatricians and experts in nutrition education to develop a book called *100 Questions on Children's Nutrition*. The book covers topics such as a balanced diet for children, nutrition for sports, nutrition at school and more. It was distributed to pediatricians, consumer organizations, opinion leaders and local schools. In 2002, content was incorporated into inserts that were provided, free-of-charge, with a leading parents magazine.

Leaflets on nutrition, food safety and food quality are made available in McDonald's restaurants across Spain. The nutrition leaflets provide information for children, diabetics and people with gluten intolerance. Food safety and quality leaflets offer information about ingredients and suppliers. In addition, restaurants display a nutrition poster with key nutrition data on menu items.

Information and Education in the UK

McDonald's UK worked with mothers and nutritionists to develop a Happy Meal Choice Chart that lists the calories, fat, saturated fat, salt and added sugar content of every Happy Meal and relates them to the amounts that experts say children should eat, depending on their age and gender. In addition, meal choices selected by McDonald's UK's panel of mothers and nutritionist Anita Bean are featured pictorially on the Happy Meal Choice Chart to give parents new ideas, and the charts will contain educational messages about eating five portions of fruit and vegetables a day. McDonald's UK plans to

distribute over five million copies of the chart in restaurants and in popular consumer magazines, and to make the chart available on a new website, www.happymealchoice.co.uk. McDonald's UK's main website offers an interactive Nutrition Counter, a printable brochure entitled *Our Food* that provides nutrition, ingredient and allergen information for McDonald's menu items and a customer service team available to answer questions about the nutrition content of food and food allergens and intolerances. *Our Food* is also available in McDonald's UK restaurants.

McDonald's UK has also worked with noted nutritionist and author Anita Bean to develop a *Five a Day* brochure. This colorful foldout brochure provides parents with tips for helping children get five daily servings of fruits and vegetables.

McDonald's was the first company in the UK to respond to the British Government's challenge to the food and advertising industries to use their creativity and resources to teach children about how to eat smart and be active. McDonald's UK created a series of educational advertisements featuring animated characters called the YumChums who use song and dance to help children learn about the importance of a balanced diet and physical activity. The advertisements were broadcast in August 2004 and will be shown again in 2005.

In early 2005, McDonald's UK announced that it would feature at least one of the 'five-a-day' recommended servings of fruit or vegetables in all Happy Meal television advertising and in all Happy Meal combinations shown pictorially in restaurant point-of-sale materials.

Information about McDonald's Europe's balanced, active lifestyles initiatives is available on the following websites: www.mcdonalds.fr, www.mcdonalds.de, www.mcdonalds.es, and www.mcdonalds.co.uk.

JAPAN

Menu Choices

McDonald's Japan offers customers a range of different side items to choose from when ordering Extra Value Meals, including hotcakes (pancakes) and a garden salad. In March 2004, the Company added Fish McDippers.

Happy Meal Choice

McDonald's Japan offers both breakfast and lunch/dinner Happy Meals. Customers have a choice of four main dish choices at breakfast, including petite pancakes, and five main dish choices at lunch/dinner, including a four-piece Fish McDippers. Happy Meal beverage choices include 100% orange juice, 100% apple juice, a 50% fruit – 50% vegetable juice blend, oolong tea (which accounts for over 60% of beverage choices), milk and carbonated beverages.

All Japan Rubber Baseball Tournament

Since 1986, McDonald's Japan has sponsored the All-Japan Rubber Baseball Tournament. In 2004, approximately 15,000 teams – 380,000 grade-school youth – competed in local tournaments. McDonald's restaurants offer celebration receptions to local championship teams, and the national championship team has been invited to the McDonald's Friendship Baseball competition held in Guam.

Nutrition Information

Recognizing that Japan has one of the highest penetrations of web-enabled cell phones, McDonald's Japan has developed special websites to allow cell phone users to access nutrition and allergen

information about menu items. Trayliners with nutrition information are also available in restaurants. McDonald's Japan also features menu item nutrition and allergy information on its website.

Further information about McDonald's Japan's balanced, active lifestyles activities is available at www.mcdonalds.co.jp.

USA

Premium Salads

In March 2003, McDonald's USA introduced three entree-size Premium Salads topped with grilled or crispy chicken breast, each paired with Newman's Own® dressings. A side salad is also offered. The Company continues to test further expansion of the salad line.

Each Premium Salad provides two servings of vegetables, and the side salad provides one serving of vegetables, based on the serving size defined by the U.S. Department of Agriculture's Food Guide Pyramid. Since their introduction in April 2003, McDonald's has sold more than 300 million Premium Salads in the US, equating to 600 million servings of vegetables.

First Ever Go Active! Happy Meal for Adults

From May through July 2004, McDonald's US business offered the Go Active! Happy Meal for adults nationwide. This adult Happy Meal contained a Stepometer™, a Step with It!™ booklet developed by noted exercise physiologist, personal trainer to Oprah Winfrey and best-selling author Bob Greene, a McDonald's Premium Salad and bottled water or a soft drink. The Go Active! Happy Meal for adults was available nationally in May 2004.

Bob Greene Partnership

McDonald's USA is also partnering with Bob Greene to bring his expertise about health and fitness to a range of educational materials available in McDonald's restaurants and to internal and external events.

- In 2003, the Bob Greene Trayliner – featuring Greene's "Tips for Leading an Active Lifestyle," a quiz on balanced, active lifestyles and abbreviated nutrition information for key McDonald's menu items – was featured nationwide, reaching millions of customers each day.
- McDonald's Go Active! American Challenge – In Spring 2004, Greene walked and bicycled from Los Angeles to Washington, DC on a public awareness campaign to promote McDonald's balanced, active lifestyles initiatives and to encourage Americans to lead active lives. Bob visited more than 50 communities conducting walks and fitness activities.

To continue the Go Active! American Challenge educational campaign, McDonald's released a special "McDonald's & You" brochure featuring exclusive fitness tips in English and Spanish from Bob Greene's new book "Total Body Makeover". A special 60% discount offer on Bob's new book was also offered.

Other Menu Choices

McDonald's USA also offers a Chicken McGrill sandwich, Fruit 'n Yogurt Parfaits, Minute Maid 100% orange juice, 1% low-fat white and chocolate milk and, at many restaurants, soup. Customers may also special order menu items to help meet their nutritional needs. In November 2003, McDonald's introduced new Chicken McNuggets made with white meat. McDonald's restaurants in the U.S. have a national core menu in place that simplifies restaurant operations and provides a balance of choices for customers.

New Happy Meal Choices

In 2004, the US business launched a series of new menu choices for Happy Meals that include:

- 1% low-fat milk in regular and chocolate flavors. Since the introduction of the new, fun, youth-inspired milk jug packaging, McDonald's USA's sales of milk have doubled.
- 100% pure apple juice.
- Apple Dippers (sliced apples served with a low-fat caramel dip). Each order of Apple Dippers contains one serving of the recommended daily intake of fruit.

Produce for Better Health Partnership

Produce for Better Health Foundation (PBH) and McDonald's USA have partnered to help educate consumers on the importance of including a variety of colorful fruits and vegetables in their daily meals and snacks. McDonald's and PBH are committed to making educational materials available in-restaurant: table tents, trayliners, brochures and packaging as well as providing new menu options that follow PBH's healthy eating guidelines for fruits and vegetables. PBH is proud to bring its 5 A Day The Color Way campaign and its expertise on healthy eating to McDonald's balanced, active lifestyles platform.

Nutrition Website

The McDonald's USA Food & Nutrition website helps to educate consumers about the nutrition content of McDonald's menu items and plan menu choices that fit their needs. Registered dietitians helped develop and continue to manage the site. Site features include:

- *Bag a McMeal*, which lets customers get nutrition facts on a meal of their choice.
- *Customize a Menu Item*, which allows customers to recalculate the nutrition information of menu items based on personal changes they specify, such as leaving off mayonnaise.
- Printable nutrition tip sheets that cover topics such as how to cut calories, fat and carbohydrates at McDonald's, as well as meal choices for people with diabetes.
- McDonald's meal suggestions, Happy Meal nutrition values, Health Topics and frequently asked questions about nutrition.

Nutrition Information in the Restaurant

McDonald's USA offers a variety of nutrition materials about its menu. These include McDonald's & You brochures, wallet cards that show nutrient breakdowns and food exchanges, menu information for people with food allergies and sensitivities and nutrition fact sheets on topics such as how to cut calories, carbohydrates or fat at McDonald's and choices for people with diabetes. In 2004, trayliners regularly featured nutrition information for many McDonald's menu items and quick tips for achieving balanced, active lifestyles.

McDonald's All American High School Basketball Game

McDonald's inaugurated this premier high school basketball classic in 1978 to recognize exceptional student athletes around the country for accomplishments both on and off the basketball court. Each year, a selection committee chooses the nation's top graduating high school boy and girl basketball players from a pool of approximately 2,500 seniors. The program raises funds for Ronald McDonald House Charities. More than \$4 million has been raised since the game was first played in 1978.

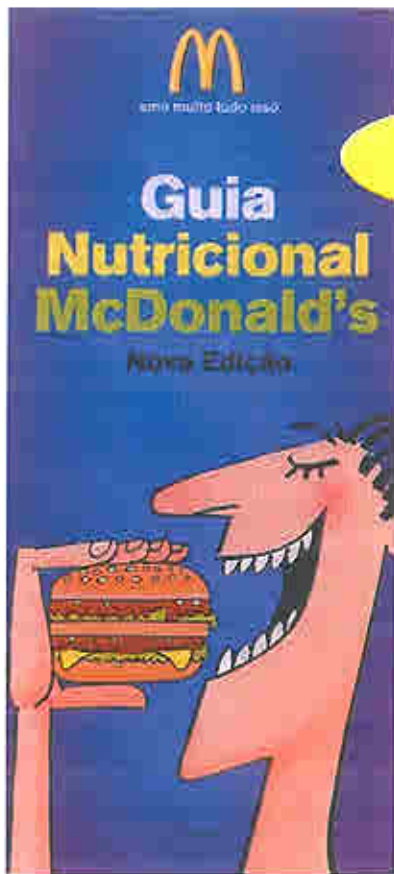
Further information about McDonald's USA's balanced, active lifestyles activities is available at www.mcdonalds.com/usa.

III. APPENDIX: COUNTRY-LEVEL COMMUNICATIONS SAMPLES

Across the McDonald's system, our focus has been on using three key vehicles for disseminating information about balanced, active lifestyles – brochures, trayliners and the Internet. The following section illustrates sample brochures that have been used or are currently being used by McDonald's in several markets around the world.

Sample Brochures





Brazil

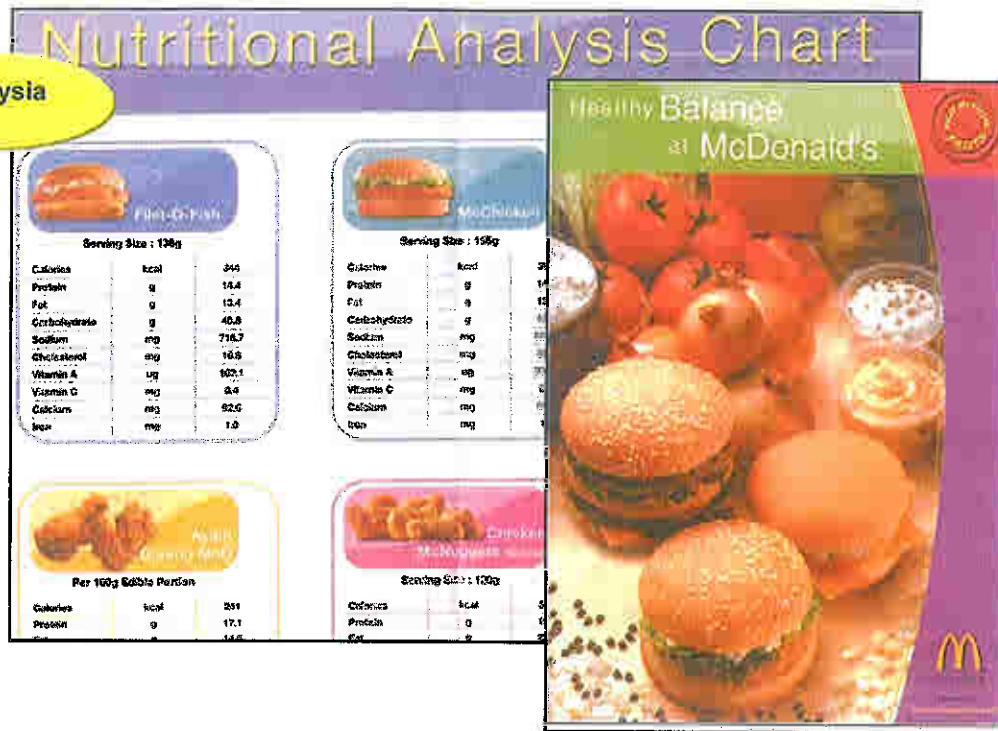


USA

영양성분 표시 방법		영양성분 표시 방법		영양성분 표시 방법	
 <p>영양성분 표시 방법은 식품의 종류와 조리 방법에 따라 달라집니다. 예를 들어, 튀김 요리와 조리된 고기는 지방 함량이 높을 수 있습니다. 또한, 조리된 고기는 소금 함량이 높을 수 있습니다. 따라서, 영양성분 표시를 읽을 때는 식품의 종류와 조리 방법을 고려해야 합니다.</p> <p>영양성분 표시는 식품의 영양 가치를 나타내는 중요한 정보입니다. 이를 통해 소비자는 건강한 식生活を 유지할 수 있습니다. 또한, 영양성분 표시를 읽을 때는 식품의 종류와 조리 방법을 고려해야 합니다.</p>	<p>영양성분 표시는 식품의 영양 가치를 나타내는 중요한 정보입니다. 이를 통해 소비자는 건강한 식生活を 유지할 수 있습니다. 또한, 영양성분 표시를 읽을 때는 식품의 종류와 조리 방법을 고려해야 합니다.</p>	<p>영양성분 표시는 식품의 영양 가치를 나타내는 중요한 정보입니다. 이를 통해 소비자는 건강한 식生活を 유지할 수 있습니다. 또한, 영양성분 표시를 읽을 때는 식품의 종류와 조리 방법을 고려해야 합니다.</p>		<p>영양성분 표시는 식품의 영양 가치를 나타내는 중요한 정보입니다. 이를 통해 소비자는 건강한 식生活を 유지할 수 있습니다. 또한, 영양성분 표시를 읽을 때는 식품의 종류와 조리 방법을 고려해야 합니다.</p>	
		<p>영양성분 표시는 식품의 영양 가치를 나타내는 중요한 정보입니다. 이를 통해 소비자는 건강한 식生活を 유지할 수 있습니다. 또한, 영양성분 표시를 읽을 때는 식품의 종류와 조리 방법을 고려해야 합니다.</p>		<p>영양성분 표시는 식품의 영양 가치를 나타내는 중요한 정보입니다. 이를 통해 소비자는 건강한 식生活を 유지할 수 있습니다. 또한, 영양성분 표시를 읽을 때는 식품의 종류와 조리 방법을 고려해야 합니다.</p>	
		<p>영양성분 표시는 식품의 영양 가치를 나타내는 중요한 정보입니다. 이를 통해 소비자는 건강한 식生活を 유지할 수 있습니다. 또한, 영양성분 표시를 읽을 때는 식품의 종류와 조리 방법을 고려해야 합니다.</p>		<p>영양성분 표시는 식품의 영양 가치를 나타내는 중요한 정보입니다. 이를 통해 소비자는 건강한 식生活を 유지할 수 있습니다. 또한, 영양성분 표시를 읽을 때는 식품의 종류와 조리 방법을 고려해야 합니다.</p>	
		<p>영양성분 표시는 식품의 영양 가치를 나타내는 중요한 정보입니다. 이를 통해 소비자는 건강한 식生活を 유지할 수 있습니다. 또한, 영양성분 표시를 읽을 때는 식품의 종류와 조리 방법을 고려해야 합니다.</p>		<p>영양성분 표시는 식품의 영양 가치를 나타내는 중요한 정보입니다. 이를 통해 소비자는 건강한 식生活を 유지할 수 있습니다. 또한, 영양성분 표시를 읽을 때는 식품의 종류와 조리 방법을 고려해야 합니다.</p>	

Korea

Malaysia



Sample Trayliners

A partir du 1^{er} Août 2004

**1 MAXI BEST OF™ ACHETÉ
= 1 VERRE Coca-Cola OFFERT**



Focus nutrition

**Vous avez soif ?
Avec ou sans bulles ?
Suavité ou pas ?**

Choi McDo, vous avez le choix entre 6 boissons.

Les boissons Coca-Cola sont
des boissons à base d'eau et de sucre.
Elles sont sans gras et sans
cholesterol. Mais pour être à l'aise
de choisir, il faut les connaître.
Voilà la Valeur Nutritionnelle
approximative, par portion
d'un verre de 330 ml.

Boisson naturelle : Lemon.
C'est la version la plus saine.
Elle ne contient ni sucre, ni gras,
ni cholesterol. Elle est aussi
sans gras et sans cholesterol.
Elle est aussi sans gras et sans
cholesterol. Elle est aussi sans
gras et sans cholesterol. Elle est
aussi sans gras et sans cholesterol.

Donnée limitée

France

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At McDonald's we're committed to providing you with easy to understand,
accessible information on our food. That's why we're proud to offer a variety
of ways to easily access nutritional information on our menu items.

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nutritional poster
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front counter.

2 Ask for our Food
Facts guide, available
at our restaurants
across the country.

3 Check out the
nutritional information
on the back of this
trayliner.

4 Log on to
www.mcdonalds.ca for
nutritional information
online. You'll also find a
nutritional calculator, so you
can customize menu items
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Canada

Nutrition Information: Find out about your favorites

Nutrition Information

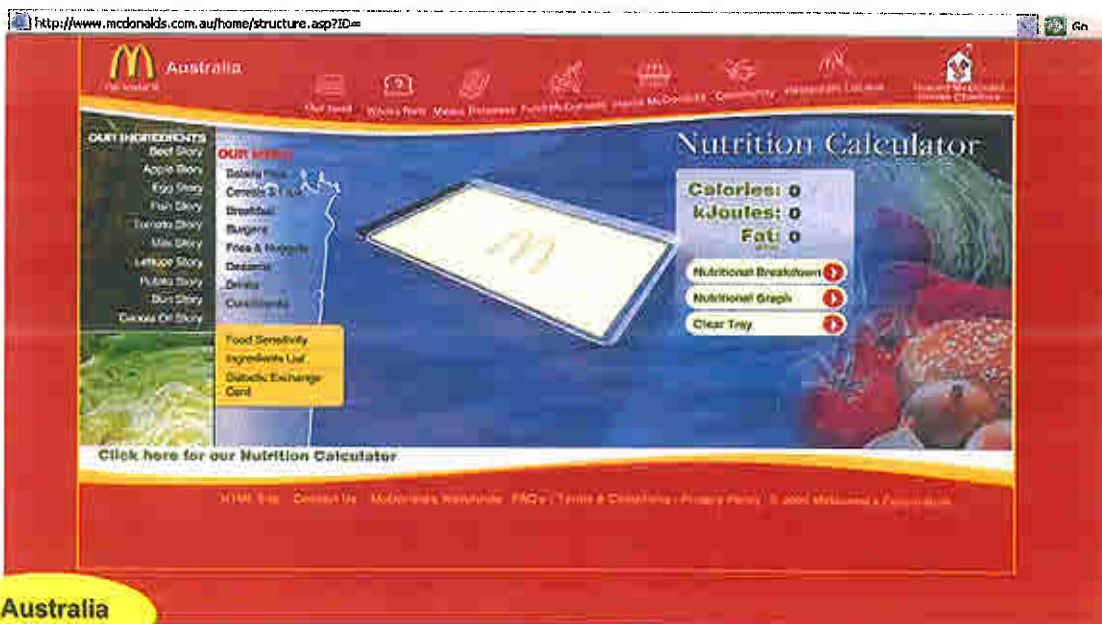
Item	Calories	Total Fat	Sodium	Total Sugar	Total Protein
French Fry (1/2 lb)	640	14g	1,100mg	0g	15g
French Fry (1 lb)	1,280	28g	2,200mg	0g	30g
French Fry (3/4 lb)	960	21g	1,650mg	0g	22g
French Fry (1/4 lb)	320	7g	360mg	0g	5g
French Fry (1/8 lb)	160	3.5g	180mg	0g	2.5g
French Fry (1/16 lb)	80	1.7g	90mg	0g	1.2g
French Fry (1/32 lb)	40	0.9g	45mg	0g	0.6g
French Fry (1/64 lb)	20	0.4g	22mg	0g	0.3g
French Fry (1/128 lb)	10	0.2g	11mg	0g	0.1g
French Fry (1/256 lb)	5	0.1g	6mg	0g	0.05g
French Fry (1/512 lb)	2.5	0.05g	3mg	0g	0.02g
French Fry (1/1024 lb)	1.25	0.02g	1.5mg	0g	0.01g
French Fry (1/2048 lb)	0.625	0.01g	0.75mg	0g	0.005g
French Fry (1/4096 lb)	0.3125	0.005g	0.375mg	0g	0.0025g
French Fry (1/8192 lb)	0.15625	0.0025g	0.1875mg	0g	0.00125g
French Fry (1/16384 lb)	0.078125	0.00125g	0.09375mg	0g	0.000625g
French Fry (1/32768 lb)	0.0390625	0.000625g	0.046875mg	0g	0.0003125g
French Fry (1/65536 lb)	0.01953125	0.0003125g	0.0234375mg	0g	0.00015625g
French Fry (1/131072 lb)	0.009765625	0.00015625g	0.01171875mg	0g	0.000078125g
French Fry (1/262144 lb)	0.0048828125	0.000078125g	0.005859375mg	0g	0.0000390625g
French Fry (1/524288 lb)	0.00244140625	0.0000390625g	0.0029296875mg	0g	0.00001953125g
French Fry (1/1048576 lb)	0.001220703125	0.00001953125g	0.00146484375mg	0g	0.000009765625g
French Fry (1/2097152 lb)	0.0006103515625	0.000009765625g	0.000732421875mg	0g	0.0000048828125g
French Fry (1/4194304 lb)	0.00030517578125	0.0000048828125g	0.0003662109375mg	0g	0.00000244140625g
French Fry (1/8388608 lb)	0.000152587890625	0.00000244140625g	0.00018310546875mg	0g	0.000001220703125g
French Fry (1/16777216 lb)	0.0000762939453125	0.000001220703125g	0.000091552734375mg	0g	0.0000006103515625g
French Fry (1/33554432 lb)	0.00003814697265625	0.0000006103515625g	0.0000457763671875mg	0g	0.00000030517578125g
French Fry (1/67108864 lb)	0.000019073486328125	0.00000030517578125g	0.00002288818359375mg	0g	0.000000152587890625g
French Fry (1/134217728 lb)	0.0000095367431640625	0.000000152587890625g	0.000011444091796875mg	0g	0.0000000762939453125g
French Fry (1/268435456 lb)	0.00000476837158203125	0.0000000762939453125g	0.0000057220458984375mg	0g	0.00000003814697265625g
French Fry (1/536870912 lb)	0.000002384185791015625	0.00000003814697265625g	0.00000286102294921875mg	0g	0.000000019073486328125g
French Fry (1/1073741824 lb)	0.0000011920928955078125	0.000000019073486328125g	0.000001430511474609375mg	0g	0.0000000095367431640625g
French Fry (1/2147483648 lb)	0.00000059604644775390625	0.0000000095367431640625g	0.0000007152557373046875mg	0g	0.00000000476837158203125g
French Fry (1/4294967296 lb)	0.000000298023223876953125	0.00000000476837158203125g	0.00000035762786865234375mg	0g	0.000000002384185791015625g
French Fry (1/8589934592 lb)	0.0000001490116119384765625	0.000000002384185791015625g	0.000000178813934326171875mg	0g	0.0000000011920928955078125g
French Fry (1/17179869184 lb)	0.00000007450580596923828125	0.0000000011920928955078125g	0.0000000894069671630859375mg	0g	0.00000000059604644775390625g
French Fry (1/34359738368 lb)	0.000000037252902984619140625	0.00000000059604644775390625g	0.00000004470348358154296875mg	0g	0.000000000298023223876953125g
French Fry (1/68719476736 lb)	0.0000000186264514923095703125	0.000000000298023223876953125g	0.000000022351741790771484375mg	0g	0.0000000001490116119384765625g
French Fry (1/137438953472 lb)	0.00000000931322574615478515625	0.0000000001490116119384765625g	0.0000000111758708953857421875mg	0g	0.00000000007450580596923828125g
French Fry (1/274877906944 lb)	0.000000004656612873077392578125	0.00000000007450580596923828125g	0.00000000558793544769287109375mg	0g	0.000000000037252902984619140625g
French Fry (1/549755813888 lb)	0.0000000023283064365386962890625	0.000000000037252902984619140625g	0.000000002793967723846435546875mg	0g	0.0000000000186264514923095703125g
French Fry (1/1099511627776 lb)	0.00000000116415321826934814453125	0.0000000000186264514923095703125g	0.0000000013969838619232177734375mg	0g	0.00000000000931322574615478515625g
French Fry (1/2199023255552 lb)	0.000000000582076609134674072265625	0.00000000000931322574615478515625g	0.00000000069849193096160888671875mg	0g	0.000000000004656612873077392578125g
French Fry (1/4398046511104 lb)	0.0000000002910383045673370361328125	0.000000000004656612873077392578125g	0.000000000349245965480804443359375mg	0g	0.0000000000023283064365386962890625g
French Fry (1/8796093022208 lb)	0.00000000014551915228366851806640625	0.0000000000023283064365386962890625g	0.0000000001746229827404022216796875mg	0g	0.00000000000116415321826934814453125g
French Fry (1/17592186044416 lb)	0.000000000072759576141834259033203125	0.00000000000116415321826934814453125g	0.00000000008731149137020111083984375mg	0g	0.000000000000582076609134674072265625g
French Fry (1/35184372088832 lb)	0.0000000000363797880709171295166015625	0.000000000000582076609134674072265625g	0.000000000043655745685100555419921875mg	0g	0.0000000000002910383045673370361328125g
French Fry (1/70368744177664 lb)	0.00000000001818989403545856475830078125	0.0000000000002910383045673370361328125g	0.0000000000218278728425502777099609375mg	0g	0.00000000000014551915228366851806640625g
French Fry (1/140737488355328 lb)	0.000000000009094947017729282379150390625	0.00000000000014551915228366851806640625g	0.00000000001091393642127513885498046875mg	0g	0.000000000000072759576141834259033203125g
French Fry (1/281474976710656 lb)	0.0000000000045474735088646411895751953125	0.000000000000072759576141834259033203125g	0.000000000005456968210637569427490234375mg	0g	0.0000000000000363797880709171295166015625g
French Fry (1/562949953421312 lb)	0.00000000000227373675443232059478759765625	0.0000000000000363797880709171295166015625g	0.0000000000027284841053187847137451171875mg	0g	0.00000000000001818989403545856475830078125g
French Fry (1/1125899906842624 lb)	0.000000000001136868377216160297393798828125	0.00000000000001818989403545856475830078125g	0.00000000000136424205265939235687255859375mg	0g	0.000000000000009094947017729282379150390625g
French Fry (1/2251799813685248 lb)	0.0000000000005684341886080801486968994140625	0.000000000000009094947017729282379150390625g	0.000000000000682121026329696178436279259375mg	0g	0.0000000000000045474735088646411895751953125g
French Fry (1/4503599627370496 lb)	0.00000000000028421709430404007434844970703125	0.0000000000000045474735088646411895751953125g	0.0000000000003410605131648480892181396296875mg	0g	0.00000000000000227373675443232059478759765625g
French Fry (1/9007199254740992 lb)	0.00000000000014210854715202003717422485391796875	0.00000000000000227373675443232059478759765625g	0.00000000000017053025658242404460906981484375mg	0g	0.000000000000001136868377216160297393798828125g
French Fry (1/18014398509481984 lb)	0.000000000000071054273576010018587112426958984375	0.000000000000001136868377216160297393798828125g	0.000000000000085265128291222022304534907421875mg	0g	0.0000000000000005684341886080801486968994140625g
French Fry (1/36028797018963968 lb)	0.0000000000000355271367880050092935562134794921875	0.0000000000000005684341886080801486968994140625g	0.0000000000000426325641456110111522674537109375mg	0g	0.00000000000000028421709430404007434844970703125g
French Fry (1/72057594037927936 lb)	0.00000000000001776356839400250464677810673974609375	0.00000000000000028421709430404007434844970703125g	0.00000000000002131628207280550557613372685546875mg	0g	0.00000000000000014210854715202003717422485391796875g
French Fry (1/144115188075855872 lb)	0.00000000000000888178419700125232338905336987109375	0.00000000000000014210854715202003717422485391796875g	0.000000000000010658141036402752788066863427734375mg	0g	0.000000000000000071054273576010018587112426958984375g
French Fry (1/288230376151711744 lb)	0.000000000000004440892098500626161694526684885546875	0.000000000000000071054273576010018587112426958984375g	0.000000000000005329070518201376394033431713671875mg	0g	0.0000000000000000355271367880050092935562134794921875g
French Fry (1/576460752303423488 lb)	0.0000000000000022204460492503130808472633424427734375	0.0000000000000000355271367880050092935562134794921875g	0.000000000000002664535259100688197016715856889375mg	0g	0.00000000000000001776356839400250464677810673974609375g
French Fry (1/1152921504606846976 lb)	0.00000000000000111022302462515654042363167122138671875	0.00000000000000001776356839400250464677810673974609375g	0.0000000000000013322676295503440985083579284446875mg	0g	0.00000000000000000888178419700125232338905336987109375g
French Fry (1/2305843009213693952 lb)	0.00000000000000055511151231257827021181583561069375	0.00000000000000000888178419700125232338905336987109375g	0.00000000000000066613381477517204925417896422234375mg	0g	0.000000000000000004440892098500626161694526684885546875g
French Fry (1/4611686018427387904 lb)	0.000000000000000277555756156289135105907917780346875	0.000000000000000004440892098500626161694526684885546875g	0.000000000000000333066907387586024627089482111171875mg	0g	0.0000000000000000022204460492503130808472633424427734375g
French Fry (1/9223372036854775808 lb)	0.000000000000000138777878078144567552953958890171875	0.0000000000000000022204460492503130808472633424427734375g	0.000000000000000166533453693793012313544741055859375mg	0g	0.00000000000000000111022302462515654042363167122138671875g
French Fry (1/18446744073709551616 lb)	0.0000000000000000693889390390722837764769794450859375	0.00000000000000000111022302462515654042363167122138671875g	0.00000000000000008326672684689650615677237052779296875mg	0g	0.00000000000000000055511151231257827021181583561069375g
French Fry (1/36893488147419103232 lb)	0.00000000000000003469446951953614188823848972254296875	0.00000000000000000055511151231257827021181583561069375g	0.000000000000000041633363423448253078386185263896484375mg	0g	0.000000000000000000277555756156289135105907917780346875g
French Fry (1/73786976294838206464 lb)	0.000000000000000017347234759768070944119244861271484375	0.000000000000000000277555756156289135105907917780346875g	0.0000000000000000208166817117241265391930926319482421875mg	0g	0.000000000000000000138777878078144567552953958890171875g
French Fry (1/147573952589676412928 lb)	0.0000000000000000086736173798840354720596224306357421875	0.000000000000000000138777878078144567552953958890171875g	0.000000000000000010408340855862063269596546315974121875mg	0g	0.0000000000000000000693889390390722837764769794450859375g
French Fry (1/295147905179352825856 lb)	0.00000000000000000433680868994201773602981121531787109375	0.000000000000000000086736173798840354720596224306357421875g	0.0000000000000000052041704279310316347797731579870609375mg	0g	0.0000000000000000000433680868994201773602981121531787109375g
French Fry (1/590295810358705651712 lb)	0.00000000000000000216840434497100886801490560765893546875	0.0000000000000000000433680868994201773602981121531787109375g	0.00000000000000000260208521396551581738988657899353046875mg	0g	0.0000000000000000000216840434497100886801490560765893546875g
French Fry (1/1180591620717411303424 lb)	0.000000000000000001084202172485504434007452803829467734375	0.00000000000000000002168404344971008868014905607658			

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Sample Websites



Brazil



Australia

USA

Spain

Japan

Global website

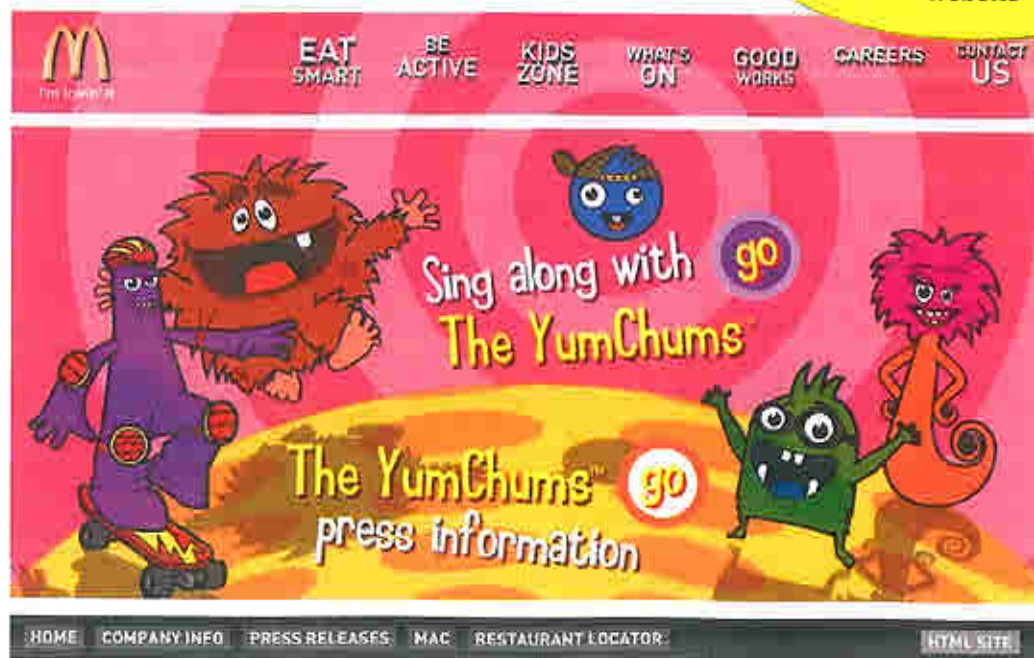
Additional materials

Some markets are providing other vehicles for information in addition to brochures, trayliners and websites. Examples include the following.



Happy Meal
Floorstand -
Canada

Yum Chums
Information on the
McDonald's UK
website



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